

McD Europe Franchising S.à r.l.

Société à responsabilité limitée

(ci-après la "Société")

Siège social : 412F, route d'Esch

L- 2086 Luxembourg

Capital social : USD 792.815.-

R.C.S. Luxembourg B22841

La Société a été constituée suivant acte reçu par Maître Franck BADEN, notaire de résidence à Luxembourg, en date du 9 mai 1985, publié au Mémorial C, Recueil des Sociétés et Associations n° 172 de 1985.

Les comptes annuels de la Société au 31 décembre 2012 ont été déposés au Registre de Commerce et des Sociétés de Luxembourg.


McD Europe Franchising S.à r.l.

BALANCE SHEET**Financial year from** ⁰¹ 01/01/2012 **to** ⁰² 31/12/2012 (in ⁰³ USD)

McD Europe Franchising S.à r.l.

412F, route d'Esch
L-2086 Luxembourg**ASSETS****Financial year****Previous financial year****A. Subscribed capital unpaid**

- I. Subscribed capital not called
- II. Subscribed capital called but not paid

B. Formation expenses**C. Fixed assets**

- I. Intangible assets
 - 1. Costs of research and development
 - 2. Concessions, patents, licences, trade marks and similar rights and assets, if they were
 - a) acquired for valuable consideration and need not be shown under C.I.3
 - b) created by the undertaking itself
 - 3. Goodwill, to the extent that it was acquired for valuable consideration
 - 4. Payments on account and intangible fixed assets under development
- II. Tangible assets
 - 1. Land and buildings
 - 2. Plant and machinery
 - 3. Other fixtures and fittings, tools and equipment
 - 4. Payments on account and tangible assets in course of construction
- III. Financial assets
 - 1. Shares in affiliated undertakings
 - 2. Loans to affiliated undertakings
 - 3. Shares in undertakings with which the company is linked by virtue of participating interests
 - 4. Loans to undertakings with which the company is linked by virtue of participating interests
 - 5. Investments held as fixed assets
 - 6. Loans and claims held as fixed assets
 - 7. Own shares or own corporate units

101		102	
103		104	
105		106	
107		108	
109	274.653.257,95	110	392.364.533,02
111	126.742.997,33	112	243.736.533,33
113		114	
115	126.742.997,33	116	243.736.533,33
117	126.742.997,33	118	243.736.533,33
119		120	
121		122	
123		124	
125	9.923.260,62	126	10.640.999,69
127	9.744.955,03	128	10.378.000,99
129		130	
131	178.305,59	132	262.998,70
133		134	
135	137.987.000,00	136	137.987.000,00
137	137.987.000,00	138	137.987.000,00
139		140	
141		142	
143		144	
145		146	
147		148	
149		150	

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	Financial year	Previous financial year
D. Current assets		
I. Stocks	151 <u>367.292.104,11</u>	152 <u>415.755.105,89</u>
1. Raw materials and consumables	153 _____	154 _____
2. Work and contracts in progress	155 _____	156 _____
3. Finished goods and goods for resale	157 _____	158 _____
4. Payments on account	159 _____	160 _____
II. Debtors	161 _____	162 _____
1. Trade debtors	163 <u>93.517.166,38</u>	164 <u>144.800.301,43</u>
a) becoming due and payable after less than one year	165 <u>1.865.422,99</u>	166 <u>1.350.777,74</u>
b) becoming due and payable after more than one year	167 <u>1.865.422,99</u>	168 <u>1.350.777,74</u>
2. Amounts owed by affiliated undertakings	169 _____	170 _____
a) becoming due and payable after less than one year	171 <u>91.037.265,36</u>	172 <u>142.821.193,84</u>
b) becoming due and payable after more than one year	173 <u>91.037.265,36</u>	174 <u>142.821.193,84</u>
3. Amounts owed by undertakings with which the company is linked by virtue of participating interests	175 _____	176 _____
a) becoming due and payable after less than one year	177 _____	178 _____
b) becoming due and payable after more than one year	179 _____	180 _____
4. Other debtors	181 _____	182 _____
a) becoming due and payable after less than one year	183 <u>614.478,03</u>	184 <u>628.329,85</u>
b) becoming due and payable after more than one year	185 _____	186 _____
III. Investments	187 <u>614.478,03</u>	188 <u>628.329,85</u>
1. Shares in affiliated undertakings and in undertakings with which the company is linked by virtue of participating interests	189 _____	190 _____
2. Own shares or own corporate units	191 _____	192 _____
3. Other investments	193 _____	194 _____
IV. Cash at bank and in hand	195 _____	196 _____
	197 <u>273.774.937,73</u>	198 <u>270.954.804,46</u>
E. Prepayments	199 <u>188.756,04</u>	200 <u>209.080,64</u>
TOTAL (ASSETS)	201 <u>642.134.118,10</u>	202 <u>808.328.719,55</u>

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LIABILITIES

	Financial year	Previous financial year
A. Capital and reserves		
	301 <u>430.608.532,96</u>	302 <u>258.147.387,91</u>
I. Subscribed capital	303 <u>792.815,00</u>	304 <u>792.815,00</u>
II. Share premium and similar premiums	305 <u>0,55</u>	306 <u>0,55</u>
III. Revaluation reserves	307 _____	308 _____
IV. Reserves	309 <u>118.151,20</u>	310 <u>118.151,20</u>
1. Legal reserve	311 <u>79.281,56</u>	312 <u>79.281,56</u>
2. Reserve for own shares	313 _____	314 _____
3. Reserves provided for by the articles of association	315 _____	316 _____
4. Other reserves	317 <u>38.869,64</u>	318 <u>38.869,64</u>
V. Profit or loss brought forward	319 <u>257.236.421,16</u>	320 <u>82.294.990,46</u>
VI. Result for the financial year	321 <u>172.461.145,05</u>	322 <u>174.941.430,70</u>
VII. Interim dividends	323 _____	324 _____
VIII. Investment subsidies	325 _____	326 _____
IX. Immunised appreciation	327 _____	328 _____
B. Subordinated creditors	329 _____	330 _____
C. Provisions	331 _____	332 _____
1. Provisions for pensions and similar obligations	333 _____	334 _____
2. Provisions for taxation	335 _____	336 _____
3. Other provisions	337 _____	338 _____
D. Non subordinated debts	339 <u>211.525.585,14</u>	340 <u>549.803.318,85</u>
1. Debenture loans	341 _____	342 _____
a) Convertible loans	343 _____	344 _____
i) becoming due and payable after less than one year	345 _____	346 _____
ii) becoming due and payable after more than one year	347 _____	348 _____
b) Non convertible loans	349 _____	350 _____
i) becoming due and payable after less than one year	351 _____	352 _____
ii) becoming due and payable after more than one year	353 _____	354 _____
2. Amounts owed to credit institutions	355 _____	356 _____
a) becoming due and payable after less than one year	357 _____	358 _____
b) becoming due and payable after more than one year	359 _____	360 _____
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	361 _____	362 _____
a) becoming due and payable after less than one year	363 _____	364 _____
b) becoming due and payable after more than one year	365 _____	366 _____
4. Trade creditors	367 <u>1.019.667,27</u>	368 <u>2.604.448,64</u>
a) becoming due and payable after less than one year	369 <u>1.019.667,27</u>	370 <u>2.604.448,64</u>
b) becoming due and payable after more than one year	371 _____	372 _____

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	Financial year	Previous financial year
5. Bills of exchange payable	373 _____	374 _____
a) becoming due and payable after less than one year	375 _____	376 _____
b) becoming due and payable after more than one year	377 _____	378 _____
6. Amounts owed to affiliated undertakings	379 <u>202.301.029,62</u>	380 <u>540.262.345,89</u>
a) becoming due and payable after less than one year	381 <u>140.335.552,89</u>	382 <u>282.737.829,18</u>
b) becoming due and payable after more than one year	383 <u>61.965.476,73</u>	384 <u>257.524.516,71</u>
7. Amounts owed to undertakings with which the company is linked by virtue of participating interests	385 _____	386 _____
a) becoming due and payable after less than one year	387 _____	388 _____
b) becoming due and payable after more than one year	389 _____	390 _____
8. Tax and social security	391 <u>3.660.801,51</u>	392 <u>3.878.826,67</u>
a) Tax	393 <u>3.660.801,51</u>	394 <u>3.878.826,67</u>
b) Social security	395 _____	396 _____
9. Other creditors	397 <u>4.544.086,74</u>	398 <u>3.057.697,65</u>
a) becoming due and payable after less than one year	399 <u>4.544.086,74</u>	400 <u>3.057.697,65</u>
b) becoming due and payable after more than one year	401 _____	402 _____
E. Deferred income	403 _____	404 <u>378.012,79</u>
TOTAL (LIABILITIES)	405 <u>642.134.118,10</u>	406 <u>808.328.719,55</u>

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PROFIT AND LOSS ACCOUNT**Financial year from** ⁰¹ 01/01/2012 **to** ⁰² 31/12/2012 (in ⁰³ USD)

McD Europe Franchising S.à r.l.

412F, route d'Esch
L-2086 Luxembourg**A. CHARGES**

	Financial year	Previous financial year
1. Raw materials and consumables	601 _____	602 _____
2. Other external charges	603 <u>696.296.827,77</u>	604 <u>739.944.738,37</u>
3. Staff costs	605 <u>10.368.478,69</u>	606 <u>9.605.359,03</u>
a) Wages and salaries	607 <u>8.410.167,20</u>	608 <u>8.407.722,29</u>
b) Social security costs	609 <u>1.622.825,05</u>	610 <u>963.815,23</u>
c) Social security costs relating to pensions	611 <u>335.486,44</u>	612 <u>233.821,51</u>
d) Other social security costs	613 _____	614 _____
4. Value adjustments	615 <u>117.782.184,03</u>	616 <u>117.723.193,91</u>
a) on formation expenses and on tangible and intangible fixed assets	617 <u>117.782.184,03</u>	618 <u>117.723.193,91</u>
b) on elements of current assets	619 _____	620 _____
5. Other operating charges	621 <u>215.758,08</u>	622 <u>127.950,59</u>
6. Value adjustments and fair value adjustments on financial fixed assets	623 _____	624 _____
7. Value adjustments and fair value adjustments on financial current assets. Loss on disposal of transferable securities	625 _____	626 _____
8. Interest payable and similar charges	627 <u>9.358.602,67</u>	628 <u>4.039.935,42</u>
a) concerning affiliated undertakings	629 <u>2.128.287,42</u>	630 <u>4.028.908,42</u>
b) other interest payable and similar charges	631 <u>7.230.315,25</u>	632 <u>11.027,00</u>
9. Extraordinary charges	633 _____	634 _____
10. Tax on profit or loss	635 <u>3.202.189,71</u>	636 <u>4.721.665,26</u>
11. Other taxes not included in the previous caption	637 _____	638 _____
12. Profit for the financial year	639 <u>172.461.145,05</u>	640 <u>174.941.430,70</u>
TOTAL CHARGES	641 <u>1.009.685.186,00</u>	642 <u>1.051.104.273,28</u>

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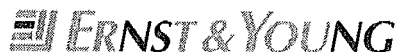
B. INCOME

	Financial year	Previous financial year
1. Net turnover	701 <u>1.008.821.469,05</u>	702 <u>1.025.153.150,13</u>
2. Change in inventories of finished goods and of work and contracts in progress	703 _____	704 _____
3. Fixed assets under development	705 _____	706 _____
4. Reversal of value adjustments	707 _____	708 _____
a) on formation expenses and on tangible and intangible fixed assets	709 _____	710 _____
b) on elements of current assets	711 _____	712 _____
5. Other operating income	713 _____	714 _____
6. Income from financial fixed assets	715 _____	716 <u>21.964.708,53</u>
a) derived from affiliated undertakings	717 _____	718 <u>21.964.708,53</u>
b) other income from participating interests	719 _____	720 _____
7. Income from financial current assets	721 _____	722 _____
a) derived from affiliated undertakings	723 _____	724 _____
b) other income	725 _____	726 _____
8. Other interests and other financial income	727 <u>863.716,95</u>	728 <u>3.972.537,62</u>
a) derived from affiliated undertakings	729 _____	730 _____
b) other interest receivable and similar income	731 <u>863.716,95</u>	732 <u>3.972.537,62</u>
9. Extraordinary income	733 _____	734 <u>13.877,00</u>
10. Loss for the financial year	735 <u>0,00</u>	736 <u>0,00</u>
TOTAL INCOME	737 <u>1.009.685.186,00</u>	738 <u>1.051.104.273,28</u>

**McD Europe Franchising S.à r.l.
412F, Route d'Esch
L-2086 Luxembourg**

R.C.S. Luxembourg B 22.841

**Annual accounts as at 31 December 2012, and
Independent auditor's report**



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Independent auditor's report

To the Members of
McD Europe Franchising S.à r.l.
412F, route d'Esch
L-2086 Luxembourg

Report on the annual accounts

Following our appointment, we have audited the accompanying annual accounts of McD Europe Franchising S.à r.l., which comprise the balance sheet as at 31 December 2012 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Managers' responsibility for the annual accounts

The Board of Managers is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts and for such internal control as the Board of Managers determines is necessary to enable the preparation and presentation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the "réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgment of the "réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the "réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Managers, as well as evaluating the overall presentation of the annual accounts.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of McD Europe Franchising S.à r.l. as of 31 December 2012, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Report on other legal and regulatory requirements

The management report, which is the responsibility of the Board of Managers, is consistent with the annual accounts.

ERNST & YOUNG
Société Anonyme
Cabinet de révision agréé

A handwritten signature in dark ink, appearing to read 'Aine Hearty', enclosed within a large, loopy circular flourish.

Áine HEARTY

Luxembourg, 28 May 2013

McD Europe Franchising S.à r.l.
Société à responsabilité limitée
Notes to the annual accounts
as of December 31, 2012

NOTE 1 - GENERAL

McD Europe Franchising S.à r.l. - hereafter "the Company" - was incorporated on May 9, 1985 as a "Société à responsabilité limitée" within the definition of the Luxembourg Law of August 10, 1915, as amended, on commercial companies and for an unlimited period of time. The Extraordinary General meeting held on November 24, 2008 decided to change the name of the Company from Mc Donald's Immobilier G.m.b.H. to McD Europe Franchising S.à r.l.

The Company's registered office is established in Luxembourg.

The financial year of the Company runs from the 1st of January until the 31st of December of each year.

The object of the Company includes the holding of participations, in any form whatsoever, in any commercial, industrial, financial, or other, Luxembourg or foreign companies or enterprises; to acquire or through participations, contributions, underwriting, purchases or options, negotiation or in any other way any securities, rights, patents, trademarks, copyrights, any other franchise rights and licences, and other property, rights and interest in property as the Company shall deem fit, and generally to hold, manage, develop, sell, license or dispose of the same, in whole or in part, for such consideration as the Company may think fit, and in particular for shares or securities of any company purchasing the same; to enter into, assist or participate in financial, commercial and other transactions, and to grant to any holding company, subsidiary, affiliate or any other company associated in any way with the Company, or the said holding company, subsidiary, affiliate, or any other company in which the Company has a direct or indirect financial interest, any assistance, loans or advances; to borrow and raise money in any manner and to secure the repayment of any money borrowed.

The purpose of the Company is also the administration, purchase, sale and leasing of real estate, the provision of consultancy services in respect of the design, operations and management of restaurants of any kind, especially fast food gastronomy, both within the territory of the Grand Duchy of Luxembourg and abroad. The Company may operate restaurants of any kind, especially those belonging to the fast food gastronomy.

Furthermore, the Company may perform all commercial, technical and financial operations, connected directly or indirectly in all areas as described above in order to facilitate the accomplishment of its purposes.

In January 2, 2009, the Company established a U.S. branch with their office in Illinois, United States of America with its place of business located at McDonald's Plaza, Oak Brook, Illinois 60523, USA.

In January 29, 2009, the Company established a Swiss branch with their office in Switzerland with its place of business located at Boulevard du Théâtre 3, 1204 Geneva, Switzerland.

In February 2009, the Company entered into various agreements with its ultimate parent company Mc Donald's Corporation and affiliates whereby it acquired the rights to use, develop and/or sublease marketing and operating intangible assets developed by the McDonald's group linked to the McDonald's restaurant system within Europe. In return for this right, the Company is obliged to pay an annual fee to Mc Donald's Corporation and affiliates consisting of a royalty component and cost sharing expenses. The royalty component is calculated based on a percentage of the sales of the various European entities to which the Company has subleased the intangibles.

The Company has subleased the aforementioned intangibles to various franchisees within Europe and receives an annual franchise income which is calculated based on the annual sales of the franchisee.

In conformity with Article 316 of the Commercial Law of August 10, 1915, as amended, the Company is exempt from the obligation to establish consolidated accounts as the Company and all of its subsidiaries are consolidated in the consolidated accounts of its ultimate parent company Mc Donald's Corporation which has its registered address at One Mc Donald's Plaza, Oak Brook, Illinois.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General principles

These annual accounts have been prepared in accordance with generally accepted accounting principles and in accordance with the laws and regulations in force in the Grand-Duchy of Luxembourg.

Main valuation rules

Translation of currencies

The accounts of the Company and its branches are expressed in USD.

The cost of fixed assets expressed in currencies other than USD are translated at the historical exchange rate.

Long term liabilities expressed in currencies other than USD are valued separately at the higher of the historical rate or the balance sheet exchange rate.

Current assets and current liabilities denominated in foreign currencies are translated into USD at the balance sheet exchange rate.

Income and expenses expressed in currencies other than USD are converted at the exchange rate applicable at the date of the transactions.

The resultant exchange gains and losses arising from the application of the above principles are reflected in the profit and loss account.

Intangible assets

Intangible assets are recorded at their acquisition price or at cost less accumulated amortization. The intangible assets are amortized on a straight-line basis over their estimated useful lives which is currently 5 years.

Tangible assets

Tangible assets are recorded at their acquisition cost, less depreciation. The acquisition price includes charges and expenses incurred in connection with their acquisition.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which the Board of Managers has assessed as being 20 years for leasehold and 27 for buildings. Land is not depreciated.

Where the Company considers that land and buildings have suffered a permanent depreciation in value, a value adjustment is recorded in order to reflect this loss. These value adjustments are not maintained if the reasons for which they were made have ceased to apply.

McD Europe Franchising S.à r.l.
Société à responsabilité limitée
Notes to the annual accounts
as of December 31, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets

Shares in affiliated undertakings are valued individually at the lower of their acquisition cost or their net realisable market value estimated by the Board of Managers. A value adjustment is recorded at the end of each year in case of any permanent diminution in value. These value adjustments are not maintained if the reasons for which they were made have ceased to apply.

Debtors

Debtors are stated at their nominal value.

A value adjustment is recorded when the estimated net realizable value is lower than the nominal value.

The net realizable value is estimated on the basis of the information available to the Board of Managers.

Creditors

Creditors are stated at their repayment value.

Dividends

Dividends receivable from affiliated undertakings are recorded as income in the year they are declared by the subsidiary.

Net turnover : Revenue recognition - Royalties

All amounts receivable from affiliated undertakings under the Master Franchise Agreements are recognised on an accrual basis over the life of the contract. The amount invoiced is dependent on a number of factors including the level of sales of the franchisee.

NOTE 3 - INTANGIBLE ASSETS

	2012 USD	2011 USD
Cost at the beginning of the year	584.967.680,00	584.967.680,00
Additions	---	---
Exchange difference	---	---
Cost at the end of the year	<u>584.967.680,00</u>	<u>584.967.680,00</u>
Depreciation at the beginning of the year	(341.231.146,67)	(224.237.611,00)
Depreciation during the year	<u>(116.993.536,00)</u>	<u>(116.993.535,67)</u>
Depreciation at the end of the year	(458.224.682,67)	(341.231.146,67)
Net book value at the end of the year	<u>126.742.997,33</u>	<u>243.736.533,33</u>

Intangible assets, acquired in February 2009 from affiliated undertakings, consist of rights to use the Mc Donald's restaurant system and related intellectual property developed in connection with McDonald's franchised restaurants in France (the "Developed Intangibles").

NOTE 4 - TANGIBLE ASSETS

Tangible assets relate to buildings and leasehold improvements.

	2012 USD	2011 USD
Cost at the beginning of the year	17.235.789,87	16.002.326,69
Additions	95.491,48	1.241.038,64
Disposals	<u>(24.582,52)</u>	<u>(7.575,46)</u>
Cost at the end of the year	17.306.698,83	17.235.789,87
Depreciation at the beginning of the year	(6.594.790,18)	(5.908.397,79)
Depreciation during the year	(788.648,03)	(729.658,24)
Reversal during the year	---	43.265,85
Depreciation at the end of the year	<u>(7.383.438,21)</u>	<u>(6.594.790,18)</u>
Net book value at the end of the year	<u>9.923.260,62</u>	<u>10.640.999,69</u>

Leased sites are depreciated over 237 months in parallel with the terms mentioned in the lease agreement

Owned sites are depreciated over 240 (Leasehold Improvement) and 330 (buildings) months starting from the opening date. Other assets (i. e. equipment of the restaurants, office equipment) have useful lives up to 120 month.

McD Europe Franchising S.à r.l.
Société à responsabilité limitée
Notes to the annual accounts
as of December 31, 2012

NOTE 5 - FINANCIAL ASSETS

	Shares in affiliated undertakings USD
Acquisition cost at the beginning and the end of the year	<u>137.987.000,00</u>
Value adjustments at the beginning and the end of the year	<u>—</u>
Net book value as of December 31, 2012	<u>137.987.000,00</u>
Net book value as of December 31, 2011	<u>137.987.000,00</u>

The Company holds investments in the following companies:

Name & registered office	% held	Net book value as of December 31, 2012 USD
McDonald's European Finance Company B.V. Netherlands	40,70%	137.962.000,00
McD Europe Franchising Services S.à r.l. France	100,00%	25.000,00

The Board of Managers are in the opinion that no value adjustment has to be recorded on the investments as at December 31, 2012, considering either the market value of the investment or that the diminution in value is not permanent.

Art.65 paragraph (1) 2° of the law of December 19, 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings (the "Law") requires the disclosure of the amount of capital and reserves and profit and loss for the last financial year of each affiliated undertaking. In conformity with Art 67.(3) of the Law, these details have been omitted since the undertaking is included in consolidated accounts drawn up by the ultimate parent company and these consolidated accounts and the related consolidated annual report and auditor's report thereon have been lodged with the Luxembourg Trade Registry.

McD Europe Franchising S.à r.l.
Société à responsabilité limitée
Notes to the annual accounts
as of December 31, 2012

NOTE 6 - CAPITAL AND RESERVES

	Subscribed capital	Share premium and similar premiums	Legal reserve	Other reserves	Results brought forward	Result for the financial year
	USD	USD	USD	USD	USD	USD
Balance as of January 1, 2012	792.815,00	0,55	79.281,56	38.869,64	82.294.990,46	174.941.430,70
Allocation of the result 2011	---	---	---	---	174.941.430,70	(174.941.430,70)
Result for the financial year	---	---	---	---	---	172.461.145,05
Balance as of December 31, 2012	<u>792.815,00</u>	<u>0,55</u>	<u>79.281,56</u>	<u>38.869,64</u>	<u>257.236.421,16</u>	<u>172.461.145,05</u>

Subscribed capital

As of December 31, 2012, the subscribed and paid up capital amounting to USD 792.815,00 is represented by 792.815 shares having a nominal value of USD 1.00 each.

Legal reserve

In accordance with the Luxembourg Law of August 10, 1915, as amended, on commercial companies, the Company is required to transfer a minimum of 5% of its net profit for each financial year to a legal reserve. This requirement ceases to be necessary once the balance of the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution during the life of the Company.

Allocation of the results

On June 26, 2012, the sole shareholder decided to allocate the profit amounting to USD 174.941.430,70 realized during the year 2011 to the results brought forward.

NOTE 7 - NON SUBORDINATED DEBTS

	Less than 1 year	Between 1 and 5 years	Total
	USD	USD	USD
Loans owed to affiliated undertakings	73.013.340,16	61.965.476,73	134.978.816,89
Interest accrued on loans owed to affiliated undertakings	4.132.958,93	---	4.132.958,93
Intercompany cost sharing expense payable	13.779.424,02	---	13.779.424,02
Intercompany trade payable	49.409.829,78	---	49.409.829,78
Trade creditors	1.019.667,26	---	1.019.667,26
Tax debt	3.660.801,51	---	3.660.801,51
Other creditors	4.544.086,74	---	4.544.086,74
Net book value as of December 31, 2012	<u>149.560.108,40</u>	<u>61.965.476,73</u>	<u>211.525.585,13</u>
Net book value as of December 31, 2011	<u>292.278.802,14</u>	<u>257.524.516,71</u>	<u>549.803.318,85</u>

On December 31, 2012, the Company repaid the totality of the buy out notes payable and the accrued interest to Mc Donald's France S.A. and Mc Donald's System of France Inc for EUR 117.898.898,00 and EUR 3.865.538,00, respectively.

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NOTE 7 - NON SUBORDINATED DEBTS (continued)

The Company was granted the outstanding following loans as of December 31, 2012:

Less than one year :

- a loan from McDonald's Ireland Ltd. granted on October 14, 2008 amounting to EUR 9.000.000,00 with an interest rate of 4,591 % per year. The loan shall be reimbursed on October 14, 2013.

As of December 31, 2012, the outstanding balance of the loan amounts to USD 12.218.900,00 and the accrued interest to USD 118.145,48.

- a loan from McDonald's Suisse Holding SA granted on November 12, 2008 amounting to CHF 26.000.000,00 with an interest rate of 3,115 % per year. The loan shall be reimbursed on November 12, 2013.

As of December 31, 2012, the outstanding balance of the loan amounts to USD 28.427.727,98 and the accrued interest to USD 3.716.739,56.

- a loan from McDonald's Suisse Holding SA granted on June 18, 2012 amounting to CHF 29.345.468,75 with an interest rate of 0,4725 % per year. The loan shall be reimbursed on June 18, 2013.

As of December 31, 2012, the outstanding balance of the loan amounts to USD 32.085.577,31 and the accrued interest to USD 82.961,27.

- McDonald's Restaurant Operations Inc. granted an advance unsecured, interest-free and repayable on demand amounting to USD 281.134,87 (ISK 35.452.064,00).

Between one and five years :

- a loan from McDonald's Suisse Holding SA granted on December 5, 2011 amounting to CHF 56.673.625,00 with an interest rate of 0,318 % per year. The loan shall be reimbursed on December 5, 2014.

As of December 31, 2012, the outstanding balance of the loan amounts to USD 61.965.476,73 and the accrued interest to USD 215.112,62.

NOTE 8 - OTHER EXTERNAL CHARGES

Other external charges consist of cost sharing expenses, royalty expenses and management fees.

The royalty expenses and cost sharing expenses relate to annual payments made under the agreements outlined in Note 1.

NOTE 9 - STAFF COSTS

The average number of staff employed during the 2012 financial year is 13 (2011: 10).

NOTE 10 - NET TURNOVER

Net turnover consist of royalties received or receivable under Master Franchise Agreements in connection with the sublease of rights to use the Mc Donald's restaurant system and related intellectual property in connection with Mc Donald's franchised restaurants in Europe.

As of December 31, 2012 and 2011, the net turnover consists of royalties mainly realized in Europe.

NOTE 11 - OTHER INTEREST AND OTHER FINANCIAL INCOME

In 2012 other interest receivable and financial income mainly consist of foreign exchange amounting to USD 210.189,12 (2011: USD 3.814.242,50).

NOTE 12 - TAXATION

The Company is fully taxable in Luxembourg for the head office and subject to the applicable general tax regulations.

The tax on the profit comprises :

- USD 2.839.856,66 for the US Branch income taxes,
- USD 360.275,42 (CHF 337.640,25) for the Swiss Branch income taxes,
- USD 2.057,63 (EUR 1.600,00) for the Luxembourg Head office income taxes.

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NOTE 13 - INCOME FROM FINANCIAL FIXED ASSETS DERIVED FROM AFFILIATED UNDERTAKINGS

	2012	2011
	USD	USD
Dividend received from McDonald's European Finance Company B.V.	<u>0,00</u>	<u>21.964.708,53</u>

NOTE 14 - REMUNERATION OF AUDITORS

The statutory accounts for the year ended December 31, 2012 include auditors' fees for USD 184.586,44 (EUR 139.870,00) (2011: USD 75.000,00).

NOTE 15 - ADVANCES OR CREDIT GRANTED TO THE MEMBERS OF THE ADMINISTRATIVE MANAGEMENT

No advances nor credit have been granted to the Managers during 2012 and 2011 .

NOTE 16 - COMMITMENTS AND OFF BALANCE SHEET ITEMS

As mentioned in Note 1, the Company is party to various franchise agreements for a minimum of 5 years. Under these agreements the Company is required to pay royalty fees to affiliated undertakings during this period based on a percentage of sales generated by the entities to which the Company has subleased these franchises.

In addition the Company has entered into agreements with various European entities within the McDonald's group to reimburse them for any costs incurred in the ongoing development of the McDonald's restaurant system.

McD Europe Franchising S.à r.l.***Société à responsabilité limitée*****(ci-après la "Société")****Siège social : 412F, route d'Esch****L- 2086 Luxembourg****Capital social : USD 792.815.-****R.C.S. Luxembourg B22841****Conseil de gérance en fonction :**Madame **Mahrukh S. HUSSAIN**, gérant AMonsieur **Julian HILTON-JOHNSON**, gérant AMonsieur **Guy HARLES**, gérant B**Affectation du résultat :**

Le conseil de gérance a proposé et l'associé unique de la Société a décidé de reporter le profit de l'exercice clos au 31 décembre 2012 de 172.461.145,05 USD de la manière suivante :

Total des résultats reportés au 31.12.2012	USD	257.236.421,16
Profit de l'exercice social clos au 31.12.2012	USD	172.461.145,05
Distribution de dividendes	USD	-250.000.000,00
Résultat à reporter à l'exercice social suivant	USD	179.697.566,21